

August 21, 2013

**ADDITIONAL COMMENTS
OF THE ILLINOIS COMPETITIVE ENERGY ASSOCIATION AND
THE RETAIL ENERGY SUPPLY ASSOCIATION
ON THE COMMISSION STAFF'S
PROPOSED PART 465 REVISIONS (AUGUST 2, 2013 DRAFT)**

INTRODUCTION

The Illinois Competitive Energy Association (“ICEA”)¹ is an Illinois not-for-profit corporation established as an Illinois-based trade association to represent the interests of competitive energy suppliers and others interested in preserving and enhancing opportunities for customer choice and competition in the electric and natural gas industries in Illinois. The Retail Energy Supply Association (“RESA”) is a broad and diverse group of retail energy suppliers who share the common vision that competitive retail energy markets deliver a more efficient, customer-oriented outcome than a regulated utility structure.²

¹ ICEA’s members include Champion Energy, LLC; Constellation NewEnergy Inc.; Direct Energy Services, LLC; FirstEnergy Solutions Corp.; Homefield Energy; Integrys Energy Services, Inc.; MC2 Energy Services, LLC; Nordic Energy Services, LLC; NRG Retail; and Verde Energy USA Illinois, LLC. The views expressed in this filing represent the position of ICEA as an organization but may not represent the views of any particular member of ICEA.

² RESA’s members include AEP Energy, Inc.; Champion Energy Services, LLC; ConEdison *Solutions*; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; Energetix, Inc.; GDF SUEZ Energy Resources NA, Inc.; Hess Corporation; Homefield Energy; IDT Energy, Inc.; Integrys Energy Services, Inc.; Just Energy; Liberty Power; MC Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble Americas Energy Solutions LLC; NRG Inc.; PPL EnergyPlus, LLC; Reliant; Stream Energy; TransCanada Power Marketing Ltd.; and TriEagle Energy, L.P.. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

It is important that 83 Ill. Admin. Code Part 465, Net Metering Requirements, which applies to electric utilities and Alternative Retail Electric Suppliers (“ARES”) recognize the distinction between those two types of entities. While electric utilities and ARES are both “electricity providers” within the meaning of Part 465, it is the electric utilities that control the metering process and, in the case of residential and small commercial customers, the billing and collection processes as well. ICEA and RESA submit the following comments, which propose modifications based on these distinctions, on the Commission Staff’s August 2, 2013 revised draft of proposed revisions to 83 Ill. Admin. Code Part 465 (“Staff’s Revised Draft”).

RESA joined in the Comments submitted by ICEA on the July 1, 2013 Draft of Staff’s proposed amendments to Part 465. The proposed revisions contained in ICEA’s Comments were not accepted by the Staff. However, no explanation was provided for their non-acceptance. Consequently, ICEA and RESA will offer those proposed revisions with some additional explanation as to why they are necessary. Attachment A to these Comments is a red-lined version of the Staff’s Revised Draft, reflecting ICEA and RESA’s proposed modifications. In addition, these Comments will address some of the proposals of other parties in their comments on the Staff’s July 1, 2013 draft.

SECTION 465.35, NET METERING APPLICATION AND ENROLLMENT PROCEDURES

ICEA and RESA propose two modifications to Section 465.35, Net Metering Application and Enrollment Procedures. Both are necessary to improve the operation of net metering programs when net metering customers switch from utility service to purchasing their supply from an ARES.

First, ICEA and RESA propose to add a Subsection 465.35 (i) to Staff's Revised Draft. Proposed Subsection 465.35 (i) provides that when a customer who is a net metering customer with an electric utility switches from purchasing electricity from that utility to purchasing electricity from an ARES, that customer will remain a net metering customer of the electric utility with respect to distribution service. This is the current practice of Ameren Illinois Company ("AIC"), but not Commonwealth Edison Company ("ComEd"). Because Part 465 is a rule of general applicability, there is no reason why the practices of AIC and ComEd should be different. Moreover, AIC's practice is more appropriate and customer-friendly. ICEA and RESA do not see why a net metering customer should lose its net metering customer status – and net metering distribution credits -- just because the customer switches its supply service to an ARES. In addition, this proposed change would have the effect of the net metering customer not losing the customer's net metering distribution credits.

Second, ICEA and RESA propose to add a Subsection 465.35 (j) to Staff's Revised Draft. Proposed Subsection 465.35 (j) provides that when a net metering customer switches its supply service from an electric utility to an ARES, the electric utility must notify the ARES via an electronic method, approved by the utility, that the customer being switched is a net metering customer. It is appropriate that the utility flags these net metering customers so that the correct product is provided by the ARES to enable the customer to retain the full value of its net metered resources. Absent notification from the utility, the ARES will not know that the customer being switched is a net metering customer. Most likely, the ARES will find out that the customer was a net metering customer when the customer calls to complain that it is not receiving net metering credits. Requiring notification from the electric utility would be a major improvement in customer service and does not appear that it would put an undue burden on the electric utility.

SECTION 465.50, ELECTRICITY PROVIDER BILLING FOR ELIGIBLE
CUSTOMERS

ICEA and RESA propose deleting one provision and adding a new provision to subsections (a), (b) and (c) of Section 465.50, Electricity Provider Billing for Eligible Customers. The deleted provisions are Subsections 465.50 (a) (A), 465.50 (b) (A), and 465.50 (c) (A), each of which requires the electricity provider to determine whether the customer is a net purchaser of electricity or a net seller of electricity. The new subsections are Subsections 465.50 (a) (C), 465.50 (b) (C), and 465.50 (c) (B), each of which reads:

In the event the electricity provider is not the electric utility providing delivery service to the customer, the electric utility shall provide the electricity provider the summary billing information that matches the sum of the half-hour interval data for the net kilowatt-hours supplied by the customer during the billing period. The billing detail and summary for each month shall include the previous month kilowatt-hour credits if applicable.

In the event a customer over-generates, the electric utility is required to calculate the credits for the distribution net metering portion of the bill. ComEd's billing department currently reviews the usage data to determine if the customer goes negative to calculate this credit. As such, it should not be difficult for the electric utility to provide this same billing information to the ARES, including accurate summary loop data which includes credits that need to be carried forward. As noted in the attached ComEd power point (page 9 of Attachment B), ComEd does not provide this level of detail for customers that over-generate. Similarly, Ameren does not provide this level of detail for customers that over-generate.

ICEA's and RESA's recommended revisions to proposed Section 465.50 recognize that it is the electric utility that controls the metering process. As such, the electric utility is in the best position to determine whether the customer is a net purchaser or net seller of electricity and to provide summary billing information to the ARES when the ARES is the electricity provider.

COMMENTS OF THE ENVIRONMENTAL LAW AND POLICY CENTER ET AL.

The Commission Staff's revised proposed Part 465 rules accepted some of the recommended modifications of the Environmental Law and Policy Center/Citizens Utility Board/Solar Energy Alliance (hereafter referred to as "ELPC") and did not accept other recommendations from ELPC. In general, ICEA and RESA find the Commission Staff's treatment of the ELPC's recommended modifications to be appropriate. With respect to ELPC's other proposed modifications, ARES are committed to providing good customer service to all of their customers, including net metering customers. Imposing more burdens, including additional reporting requirements, are not necessary. To the extent that there is any issue regarding compliance, the Commission and its Staff already have the authority to resolve such issues.

CONCLUSION

ICEA and RESA thank the Commission Staff for the opportunity to submit these Comments. In general, ICEA and RESA support the Commission Staff's proposed amendments to Part 465. However, they recommend that the Commission Staff make the modifications

proposed in these Comments, and reflected in Attachment A, to make the Part 465 more workable for net metering customers and ARES.

Respectfully submitted,

/S/ GERARD T. FOX
Gerard T. Fox

Law Offices of Gerard T. Fox
Two Prudential Plaza
180 North Stetson, Suite 3500
Chicago, IL 60601
(312) 268-5674
gerardtfox@aol.com

August 21, 2013